



State of Utah

Department of  
Natural Resources

Division of  
Oil, Gas & Mining

ROBERT L. MORGAN  
*Executive Director*

LOWELL P. BRAXTON  
*Division Director*

OLENE S. WALKER  
*Governor*

GAYLE E. McKEACHINIE  
*Lieutenant Governor*

February 6, 2004

CERTIFIED RETURN RECEIPT  
7099 3400 0016 8896 2994

Jon B. Rhine, President  
Interpace Industries, Inc.  
736 West Harrisville Road  
Ogden, Utah 84404

Subject: Formal Approval of Notice of Intention to Amend Large Mining  
Operations and Form and Amount of Reclamation Surety, Interpace  
Industries, Inc., Clinton Clay Pit Mine, M/049/006, Utah County, Utah

Dear Mr. Rhine:

On February 5, 2004, the Director of the Division of Oil, Gas and Mining formally approved the form and amount of updated reclamation surety for Interpace Industries, Inc.'s Clinton Clay Pit Mine. The reclamation surety is posted in the form of two separate Letters of Credit. LOC #200718 in the amount of \$541,800 is issued by Merrill Lynch Bank USA and LOC #G192622 in the amount of \$47,700 was originally issued by Seattle First National Bank and later serviced by Bank of America. The two sureties total \$589,500 for reclamation of 104 acres at the Clinton Clay Pit Mine.

*The Division hereby grants its final approval of your amended large mining notice of intention and the reclamation surety.* You may now commence mining operations as outlined in the amended and approved large mining notice of intention.

On February 19, 2003 and February 26, 2003 we received a transitional reclamation surety (LOC #STR20714 – later amended to #00335618), issued by Bank One, in the amount of \$88,700. On February 26, 2003, we received your transitional reclamation contract to accompany that LOC. The \$541,800 LOC received from Merrill Lynch Bank encompasses that transitional surety amount. Therefore, we are returning the original \$88,700 transitional surety with amendment and the transitional reclamation contract to you for your disposal or return to Bank One.

**File in:**

- ☐ Confidential
- ☒ Shelf
- ☐ Expandable

Refer to Record No 0001 Date 2-6-04

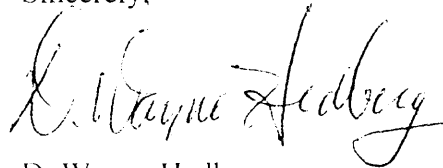
In Permit # M44 006, 2004, Interpace  
For additional information

Jon B. Rhine  
Page 2 of 2  
M/049/006  
February 6, 2004

We have enclosed copies of the fully signed and newly executed Reclamation Contract and copies of the two LOC's for your files. Also enclosed is a copy of the "approved" Notice of Intention to Amend Large Mining Operations for your files. If in the future, you wish to modify your mining and reclamation plan, please furnish a redlined and strikeout version of the page(s) you wish to change. When the changes reach final approval, a clean version of the pages will need to be submitted to be incorporated into the approved plan.

Thank you for your help and especially Aaron Hancock, in finalizing this permitting action. It is a pleasure working with your company. Please call me if you have any questions regarding this letter.

Sincerely,



D. Wayne Hedberg  
Permit Supervisor  
Minerals Regulatory Program

DWHE:Kjb

Enclosures: Copy of RC and Merrill Lynch Bank LOC & Bank of America LOC  
Original Transitional RC & Bank One LOC #STR20714 (now 00335618)  
"Approved" copy of Notice of Intention to Amend Mining Operations  
O: M049-Utah\M0490006-ClintonPit\Final\apv1-amend-02062004.doc

FEB 02 2004

DIV. OF OIL, GAS & MINING

File Number M/049/006  
Effective Date Feb 5, 2004  
Other Agency File Number n/a

**STATE OF UTAH**  
**DEPARTMENT OF NATURAL RESOURCES**  
**DIVISION of OIL, GAS and MINING**  
1594 West North Temple Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801  
(801) 538-5291  
Fax: (801) 359-3940

**RECLAMATION CONTRACT**

---ooOoo---

For the purpose of this RECLAMATION CONTRACT the terms below are defined as follows:

"NOTICE OF INTENTION" (NOI): (File No.) M/049/006  
(Mineral Mined) Fireclay Aggregate

"MINE LOCATION":  
(Name of Mine) Clinton Clay Pit  
(Description) Portions of sections 8 & 9  
T5S R1W Utah County  
Approximately 4 miles west of Lehi on SR73

"DISTURBED AREA":  
(Disturbed Acres) 104  
(Legal Description) (refer to Attachment "A")

"OPERATOR":  
(Company or Name) Interpace Industries, Inc.  
(Address) 736 W Harrisville Rd  
Ogden, UT 84404  
(Phone) (801) 782-7933

"OPERATOR'S REGISTERED AGENT":

Name)

(Address)

(Phone)

C. L. Patterson

736 W. Harrisville Rd.

Ogden, UT 84404

(801) 782-7933

"OPERATOR'S OFFICER(S)":

Jon B. Rhine President

Charles C. Tabaracci VP Finance

SURETY":

(Form of Surety - Attachment B)

Letter of Credit

"SURETY COMPANY":

(Name, Policy or Acct. No.)

Merrill Lynch Bank USA - [REDACTED]

Bank of America - G192622

"SURETY AMOUNT":

(Escalated Dollars)

\$589,500 (\$541,800 & \$47,700)

"ESCALATION YEAR":

2008

"STATE":

State of Utah

"DIVISION":

Division of Oil, Gas and Mining

"BOARD":

Board of Oil, Gas and Mining

ATTACHMENTS:

A "DISTURBED AREA":

B "SURETY":

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between Interpace Industries, Inc. the "Operator" and the Utah State Division of Oil, Gas and Mining ("Division").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. M/049/006 which has been approved by the Utah State Division of Oil, Gas and Mining under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules; and

WHEREAS, Operator is obligated to reclaim that area described as the Disturbed Area as set forth and in accordance with Operator's approved Reclamation Plan, and Operator is obligated to provide surety in form and amount approved by the Division, to assure reclamation of the Disturbed Area.

NOW, THEREFORE, the Division and the Operator agree as follows:

1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations, the approved Notice of Intention and Reclamation Plan received February 14, 2003. The Notice of Intention and the Reclamation Plan, as amended, are incorporated by this reference and made a part hereof.
2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the Division. Such surety as evidenced by the Surety Contract is in the form of the surety attached hereto as Attachment B and made a part hereof. The Surety Contract shall remain in full force and effect according to its terms unless modified by the Division in writing. If the Surety Contract expressly provides for cancellation, then, within 60 days following the Division's receipt of notice that the Surety Company intends to cancel the Surety Contract, the Operator shall provide a replacement Surety Contract in a form and amount reasonably acceptable to the Division. If the Operator fails to provide an acceptable replacement Surety Contract, the Division may order the Operator to cease further mining activities and to begin immediate reclamation of the Disturbed Area.
3. Operator agrees to pay legally determined public liability and property damage claims resulting from mining to the extent provided in Section 40-8-7(1)(e) of the Act.
4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
5. The Operator's liability under this Contract shall continue in full force and effect until the Division certifies that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
6. If reclamation of discrete sections of the Disturbed Area is completed to the satisfaction of the Division, and the Division finds that such sections are severable from the remainder of the Disturbed Area, Operator may request the Division to certify that Operator has reclaimed such discrete sections of the Disturbed Area in accordance with the Act and Implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended. If the Division makes such certification, Operator may make request to the Division that the aggregate face amount of the Surety Contract provided pursuant to paragraph 2 be reduced to an amount necessary to provide for completion of the remaining reclamation. The Division shall hear Operator's request for such reduction in accordance with the Board's Procedural Rules concerning requests for Agency Action.

7. Operator agrees to indemnify and hold harmless the State, Board and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
8. **Operator may, at any time, submit a request to the Division to substitute surety. The Division may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.**
9. This Contract shall be governed and construed in accordance with the laws of the State of Utah.
10. If Operator shall default in the performance of its obligations hereunder, Operator agrees to pay all costs and expenses, including reasonable attorney's fees and costs incurred by the Division and/or the Board in the enforcement of this Contract.
11. Any breach that the Division finds to be material of the provisions of this Contract by Operator may, at the discretion of the Division, result in an order to cease mining operations. After opportunity for notice and hearing, the Board of Oil, Gas and Mining may enter an order to revoke the Notice of Intention, order reclamation, or order forfeiture of the Surety Contract, or take such other action as is authorized by law.
12. In the event of forfeiture of the Surety Contract, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this Contract. Any excess monies resulting from forfeiture of the Surety Contract, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.
13. This Contract including the Notice of Intention, as amended and the Reclamation Plan, as amended, represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.
14. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.

OPERATOR:

Interpace Industries, Inc.  
Operator Name

By Jon B. Rhine  
Authorized Officer (Typed or Printed)

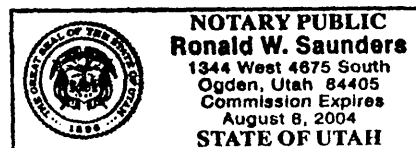
\_\_\_\_\_  
President  
Authorized Officer - Position

Officer's Signature B. Rini Date 1/30/04

STATE OF Utah )  
 ) ss:  
COUNTY OF Weber )

On the 30<sup>th</sup> day of Jan, 2004, Jon B. Rhine  
personally appeared before me, who being by me duly sworn did say that he/she is the  
President of Interpace Industries, Inc. and duly  
acknowledged that said instrument was signed on behalf of said company by authority  
of its bylaws or a resolution of its board of directors and said  
Jon B. Rhine duly acknowledged to me that said  
company executed the same.

Ronald J. Saunders  
Notary Public  
Residing at Ogden, Ut  
88-04  
My Commission Expires:



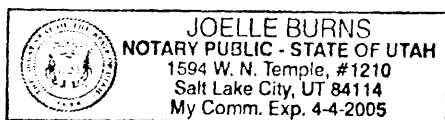
DIVISION OF OIL, GAS AND MINING:

By Lowell P Braxton  
Lowell P. Braxton, Director

2-5-04  
Date

STATE OF Utah )  
COUNTY OF Salt Lake ) ss:

On the 5<sup>th</sup> day of February, 20 04, Lowell P Braxton personally appeared before me, who being duly sworn did say that he, the said Lowell P Braxton is the Director of the Division of Oil, Gas and Mining, Department of Natural Resources, State of Utah, and he duly acknowledged to me that he executed the foregoing document by authority of law on behalf of the State of Utah.



Joelle Burns  
Notary Public  
Residing at: S.L.C. Utah

April 4, 2005  
My Commission Expires:



ATTACHMENT "A"

Interpace Industries, Inc.  
Operator

Clinton Clay Pit  
Mine Name

M/049/006  
Permit Number

Utah County, Utah

**LEGAL DESCRIPTION**

*Include 1/4, 1/4, 1/4 sections, townships, ranges and any other descriptions that will legally determine where disturbed lands are located. Attach a topographic map of suitable scale (max. 1 inch = 500 feet; 1 inch = 200 feet or larger scale is preferred) showing township, range and sections and a clear outline of the disturbed area boundaries tied to this Reclamation Contract and surety.*

The detailed legal description of lands to be disturbed includes portions of the following lands not to exceed 104 acres under the approved permit and surety, as reflected on the attached map labeled SF-2 and dated 1/30/2003:

NE $\frac{1}{4}$  of SE $\frac{1}{4}$  & the SE $\frac{1}{4}$  of NE $\frac{1}{4}$  of section 8 and the S $\frac{1}{2}$  of NW $\frac{1}{4}$  & the N $\frac{1}{2}$  of SE $\frac{1}{4}$  & the N $\frac{1}{2}$  of SE $\frac{1}{4}$  of SE $\frac{1}{4}$  & the N $\frac{1}{2}$  of SW $\frac{1}{4}$  of section 9, T5S R1W  
Utah County, Utah

**Irrevocable Standby Letter of Credit No 200718**

15 W. South Temple, Ste. 300  
Salt Lake City, Utah 84101  
801 526 8300  
800 635 5281  
FAX 801 521 6466  
FAX 801 363 8611

**DATE: January 28, 2004****BENEFICIARY**

Utah Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
Box 145801  
Salt Lake City, UT 84114-5801

**APPLICANT**

Interpace Industries, Inc.  
736 West Harrisville Road  
Ogden, UT 84404

**AMOUNT: \$541,800.00****EXPIRY DATE: October 31, 2004**

At Merrill Lynch Bank USA  
Letter of Credit Dept.  
15 W. South Temple, Ste. 300  
Salt Lake City, Utah 84101

**JAN 29 2004****MERRILL LYNCH BANK USA IRREVOCABLE STANDBY LETTER OF CREDIT NO: 200718**

Gentlemen and Ladies:

1. Merrill Lynch Bank USA ("Bank"), of Salt Lake City, Utah, hereby establishes this irrevocable Letter of Credit (the "Letter of Credit") in favor of the Utah Division of Oil, Gas and Mining ("Division") for an aggregate amount not to exceed \$541,800.00 in United States Dollars ("Face Amount") effective immediately.

2. This Letter of Credit will expire upon the first event set forth as follows: (a) 4:00 o'clock p.m. (Salt Lake City time) on October 31, 2004 or (b) the date upon which sufficient documents are executed by the Division to release Interpace Industries, Inc. ("Operator") from further liability for reclamation of the Clinton Clay Pit, permit no. M/049/006, with notice to Bank by the Division accompanied by the original Letter of Credit with directions for cancellation.

3. This Letter of Credit will be automatically extended for successive periods of one year from the current or any future expiration date unless the Bank gives notice to the Division at least 90 days prior to the expiration date that the Bank elects not to renew the Letter of Credit.

4. Funds under this Letter of Credit are available against the Division's sight draft, in the form of Exhibit A attached hereto, specifying Letter of Credit No. 200718 delivered to the office of the Bank, Merrill Lynch Bank USA, Letter of Credit Department, 15 West South Temple, Suite 300, Salt Lake City, Utah 84101. At the Division's sole election, the Division may present sight drafts for less than the Face Amount so long as the aggregate amount of all sight drafts does not exceed the Face Amount. Each draft must be accompanied by a certificate in the form of Exhibit B attached hereto, purportedly signed by a duly authorized representative of the Division.

5. If the Bank receives the Division's complying sight draft(s) and certificate(s) as provided in Paragraph No. 4 above on or before the expiration or termination date of this Letter of Credit, the Bank will make such amount as the Division may specify, within the limits of the second sentence of Paragraph No. 4 of this Letter of Credit, available to the Division no later than the close of business, Salt Lake City time, on the second business day following the Bank's receipt of the sight draft and certificate and in such a manner as the Division may specify.

6. The Bank will give prompt notice to the Operator and to the Division Director of any notice received or action filed alleging the insolvency or bankruptcy of the Bank, or alleging any violations of regulatory requirements which could result in suspension or revocation of the Bank's charter or license to do business.

7. The Letter of Credit will be governed by the laws of the State of Utah and shall be subject to the Uniform Customs and Practice for Documentary Credits, 1993 revision, International Chamber of Commerce Publication No. 500, as the same may be amended and in effect from time to time ("UCP"). In the event of a conflict between Utah law and the UCP, Utah law shall govern.

8. All communications regarding this Letter of Credit will be addressed to Merrill Lynch Bank USA, Letter of Credit Department, 15 West South Temple, Suite 300, Salt Lake City, Utah 84101, referencing Letter of Credit No. 200718.

**MERRILL LYNCH BANK USA**

By: Marylee Bingham  
Title: Vice President



EXHIBIT B

To

Letter of Credit Number [REDACTED]

I, \_\_\_\_\_ a duly authorized representative of the Utah Division of Oil, Gas and Mining, hereby certify that (1) the drawing in the amount of \$\_\_\_\_\_, by sight draft accompanying this certificate, under Letter of Credit No. 200718 dated January 28, 2004 issued by you is permitted under the provision of the Letter of Credit, (2) the Letter of Credit has neither expired nor terminated pursuant to its terms, (3) the amount of the sight draft, together with any amounts previously drawn under the Letter of Credit, does not exceed the Face Amount, and (4) the Utah Board of Oil, Gas and Mining, after notice and hearing, has entered an Order which has not been stayed, ordering forfeiture of Letter of Credit No. 200718 in accordance with applicable law. Proceeds of this drawing will be utilized in full to pay the expenses relating to the reclamation liability, together with the costs of collection, including attorneys fees, for the Clinton Clay Pit, permit no. M/049/006.

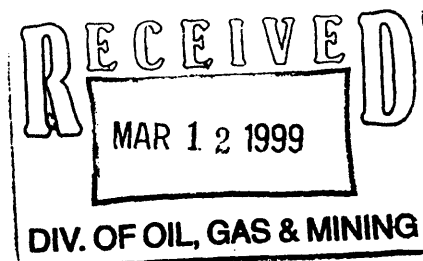
The Utah Division of Oil, Gas and Mining

By: \_\_\_\_\_  
Authorized Signature

Date: \_\_\_\_\_

Date: March 1, 1999

State of Utah, Dept of Natural Resources  
Division of Gas, Oil and Mining  
Three Triad Center, Suite 350  
355 West North Temple  
Salt Lake City, Utah 84180-1203



Subject: Letter of Credit No. 192622, 192623 issued by Bank of America  
(formerly Seafirst Bank) Seattle, Washington  
For the Account of Interpace Industries, Inc.

We are pleased to announce that effective March 22, 1999, the above mentioned Letter of Credit will be serviced by

Bank of America  
Trade Operations Center #22621  
333 South Beaudry Avenue, 19<sup>th</sup> Floor  
Los Angeles, CA 90017  
FAX (213) 345-6694  
PHONE (213) 345-6630  
SWIFT Address: BOFAUS6S  
TELEX Address: MCI 67652 BANKAMER SFO

Please adjust your records to reflect this important information, and forward any future drawings or correspondence to the address above.

Should you have any questions, please feel free to contact us at the number mentioned above.

Sincerely,

A handwritten signature in cursive script, appearing to read "E. Kubota".

Eloise Kubota  
Vice President

L/C NO: [REDACTED]

PAGE: 1

INTERNATIONAL TRADE OPERATIONS  
800 FIFTH AVENUE, FLOOR 31, SEATTLE, WASHINGTON 98104  
P.O. BOX 3977, SEATTLE, WASHINGTON 98124

JANUARY 31, 1994

IRREVOCABLE STANDBY LETTER OF CREDIT NO. [REDACTED]

**BENEFICIARY:**

STATE OF UTAH, DEPT OF NATURAL RESOURCES  
DIVISION OF GAS, OIL AND MINING  
THREE TRIAD CENTER, SUITE 350  
355 WEST NORTH TEMPLE  
SALT LAKE CITY, UTAH 84180-1203

**APPLICANT:**

INTERPACE INDUSTRIES, INC.  
P O BOX 12118  
OGDEN, UTAH 84412

AMOUNT: 47,700.00 U.S. DOLLARS  
FORTY-SEVEN THOUSAND SEVEN HUNDRED AND 00/100 U.S. DOLLARS

WE HEREBY ISSUE OUR IRREVOCABLE STANDBY LETTER OF CREDIT NO. [REDACTED] IN FAVOR OF THE STATE OF UTAH, DEPARTMENT OF NATURAL RESOURCES, DIVISION OF OIL, GAS AND MINING ("DIVISION"), THREE TRIAD CENTER, SUITE 350, SALT LAKE CITY, UT 84180-1203 FOR AN AGGREGATE AMOUNT NOT TO EXCEED 47,700.00 U.S. DOLLARS (FORTY SEVEN THOUSAND SEVEN HUNDRED U.S. DOLLARS).

FUNDS UNDER STANDBY LETTER OF CREDIT NO. [REDACTED] ARE AVAILABLE AGAINST THE DIVISION'S SIGHT DRAFT, IN THE FORM OF EXHIBIT A, SPECIFYING STANDBY LETTER OF CREDIT NO. [REDACTED], WHEN DELIVERED TO THE OFFICE OF SEATTLE FIRST NATIONAL BANK, LETTER OF CREDIT DEPARTMENT, CURRENTLY LOCATED AT 800 FIFTH AVENUE, FLOOR 31, SEATTLE, WA 98104, ON OR BEFORE THE EXPIRATION DATE OF DECEMBER 9, 1994 OR ANY EXTENDED DATE AS PROVIDED HEREIN. SUCH AMOUNT DRAWN WILL BE MADE AVAILABLE AS THE DIVISION MAY SPECIFY NO LATER THAN THE CLOSE OF BUSINESS ON THE THIRD BUSINESS DAY FOLLOWING RECEIPT OF THE SIGHT DRAFT AND CERTIFICATE BY SEATTLE FIRST NATIONAL BANK, SEATTLE, WA AT THE ABOVE STATED ADDRESS.

THIS STANDBY LETTER OF CREDIT SHALL BE AUTOMATICALLY EXTENDED WITHOUT AMENDMENT FOR AN ADDITIONAL PERIOD OF ONE YEAR FROM THE PRESENT OR EACH FUTURE EXPIRATION DATE UNLESS WE HAVE

\*\*\* CONTINUED ON NEXT PAGE \*\*\*

L/C NO: [REDACTED]

PAGE: 2

INTERNATIONAL TRADE OPERATIONS  
800 FIFTH AVENUE, FLOOR 31, SEATTLE, WASHINGTON 98104  
P.O. BOX 3977, SEATTLE, WASHINGTON 98124

NOTIFIED YOU IN WRITING NOT LESS THAN NINETY (90) DAYS BEFORE SUCH EXPIRATION DATE THAT WE ELECT NOT TO RENEW THIS STANDBY LETTER OF CREDIT. OUR NOTICE OF SUCH ELECTION SHALL BE DELIVERED VIA COURIER TO YOUR ABOVE ADDRESS.

AT THE DIVISIONS'S SOLE ELECTION, THE DIVISION MAY PRESENT SIGHT DRAFTS FOR LESS THAN THE FACE AMOUNT OF THE STANDBY LETTER OF CREDIT SO LONG AS THE AGGREGATE AMOUNT OF ALL SIGHT DRAFTS DOES NOT EXCEED THE FACE AMOUNT OF THIS STANDBY LETTER OF CREDIT. EACH DRAFT, PRESENTED IN THE FORM OF EXHIBIT A, MUST BE ACCOMPANIED BY A CERTIFICATE IN THE FORM OF EXHIBIT B BEARING A SIGNATURE PURPORTING TO BE THAT OF A DULY AUTHORIZED REPRESENTATIVE OF THE DIVISION.

THIS STANDBY LETTER OF CREDIT MAY BE CANCELED PRIOR TO ITS THEN CURRENT EXPIRATION DATE PROVIDING THAT THE FOLLOWING IS RECEIVED BY SEATTLE FIRST NATIONAL BANK, SEATTLE, WA 98104:

1. A STATEMENT BEARING A SIGNATURE PURPORTING TO BE AN AUTHORIZED REPRESENTATIVE OF THE DIVISION STATING: "WE HEREBY RELEASE INTERPACE INDUSTRIES, INC. ("OPERATOR"), OGDEN, UT 84412, FROM FUTURE LIABILITY FOR RECLAMATION OF THE CLINTON PIT, MINE PERMIT #M/049/006."
2. THE ORIGINAL OF THIS STANDBY LETTER OF CREDIT

WE HEREBY ENGAGE WITH YOU THAT DRAFTS AND DOCUMENTS DRAWN UNDER AND IN STRICT COMPLIANCE WITH THE TERMS OF THIS LETTER OF CREDIT WILL BE DULY HONORED UPON PRESENTATION TO US.

THIS LETTER OF CREDIT IS GOVERNED BY THE LAWS OF THE STATE OF UTAH AND IS SUBJECT TO UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS, 1993 REVISION, INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 500, AS THE SAME MAY BE AMENDED AND IN EFFECT FROM TIME TO TIME ("UCP"). IN THE EVENT OF A CONFLICT BETWEEN UTAH LAW AND THE UCP, UTAH LAW WILL GOVERN.

\*\*\* CONTINUED ON NEXT PAGE \*\*\*




L/C NO: [REDACTED]

PAGE: 3

INTERNATIONAL TRADE OPERATIONS  
800 FIFTH AVENUE, FLOOR 31, SEATTLE, WASHINGTON 98104  
P.O. BOX 3977, SEATTLE, WASHINGTON 98124


THIS STANDBY LETTER OF CREDIT IS NON-OPERATIVE. IT WILL BE MADE OPERATIVE UPON YOU SIGNING THE ATTACHED ACCEPTANCE OF THIS REPLACEMENT STANDBY LETTER OF CREDIT.

  
AUTHORIZED SIGNATURE  
VIA DHL

  
AUTHORIZED SIGNATURE

PLEASE INDICATE YOUR ACCEPTANCE (X) REJECTION ( ) OF THIS STANDBY LETTER OF CREDIT NO. [REDACTED] WHICH REPLACES OUR STANDBY LETTER OF CREDIT NO. [REDACTED] BY SIGNING THE COPY OF THIS STANDBY LETTER OF CREDIT AND RETURNING IT TO US IN THE ENVELOPE PROVIDED VIA COURIER. THIS STANDBY LETTER OF CREDIT NO. [REDACTED] WILL BECOME OPERATIVE UPON YOUR SIGNED ACCEPTANCE.

IN THE EVENT OF YOUR ACCEPTANCE OF THIS REPLACEMENT STANDBY LETTER OF CREDIT, PLEASE RETURN THE ORIGINAL OF STANDBY LETTER CREDIT NO. [REDACTED] AND ALL AMENDMENTS TO SEATTLE FIRST NATIONAL BANK, LETTER OF CREDIT DEPARTMENT AT THE ADDRESS STATED ABOVE VIA COURIER.

  
AUTHORIZED SIGNATURE  
Director WDSM

**RECEIVED**

FEB 01 1994

DIVISION OF  
OIL, GAS & MINING

**EXHIBIT A - SIGHT DRAFT**

to  
Letter of Credit Number \_\_\_\_\_

Date	City, County	Letter of Credit No.

PAY TO THE ORDER OF: \_\_\_\_\_ Utah Division of Oil, Gas and Mining, \_\_\_\_\_  
\_\_\_\_\_ DOLLARS

TO: (Name of Bank or Surety)  
and  
(Address)

Utah Division of Oil, Gas and Mining  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203

By: \_\_\_\_\_  
Authorized Signature

**EXHIBIT B**

to  
Letter of Credit Number \_\_\_\_\_

I, \_\_\_\_\_ a duly authorized representative of the Utah Division of Oil, Gas and Mining, hereby certify that (1) the drawing in the amount of \$ \_\_\_\_\_, by sight draft accompanying this certificate, under Letter of Credit No. \_\_\_\_\_ dated \_\_\_\_\_ issued by you is permitted under the provision of the Letter of Credit, (2) the Letter of Credit has neither expired nor terminated pursuant to its terms, (3) the amount of the sight draft, together with any amounts previously drawn under the Letter of Credit, does not exceed the Face Amount, and (4) the Utah Board of Oil, Gas and Mining, after notice and hearing, has entered an Order which has not been stayed, ordering forfeiture of Reclamation Contract number \_\_\_\_\_, in accordance with applicable law. Proceeds of this drawing will be utilized in full to pay the expenses relating to the reclamation liability for the \_\_\_\_\_ [mine], \_\_\_\_\_ [mine permit #].

The Utah Division of Oil, Gas and Mining

By: \_\_\_\_\_  
Authorized Signature

Date \_\_\_\_\_

3:LOC